

Message Text

LIMITED OFFICIAL USE

PAGE 01 GUATEM 02830 061811Z
ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 SSO-00 CIAE-00 COME-00
DODE-00 DOTE-00 FMC-01 INR-07 NSAE-00 CG-00
DLOS-09 OES-07 INRE-00 L-03 ARAE-00 /041 W
-----061818Z 053559 /55
O 061140Z MAY 77
FM AMEMBASSY GUATEMALA
TO SECSTATE WASHDC IMMEDIATE 5904

LIMITED OFFICIAL USE GUATEMALA 2830

E.O. 11652 NA
TAGS: EWWT, PFOR, GT
SUBJ: GUATEMALAN CONGRESS ACTS ON NON-DISCRIMINATORY SHIPPING
LEGISLATION

REF: SHULER/JOHNSON TELCON 5/5/77

SUMMARY: PUBLICATION ON MAY 9 OF FMC PROPOSED RULE ON
GUATEMALAN DISCRIMINATORY SHIPPING LEGISLATION COULD HAVE
NEGATIVE EFFECT ON GUATEMALAN LEGISLATION REVISION WHICH
WOULD SOLVE PROBLEM OF 10 YEARS STANDING. IT IS RECOMMENDED
FMC CONSIDER FIRST READING OF NEW LAW SUFFICIENT CAUSE TO
MODIFY PROPOSED RULE-MAKING PUBLICATION DATE.

1. GUATEMALAN CONGRESS HAS GIVEN FIRST READING TO NON-DISCRIM-
INATORY MARITIME LEGISLATION WHICH WILL REPLACE DECREE 41-71.
NEW LEGISLATION PROVIDES FOR FLAT 6 PERCENT TAX AGAINST
FREIGHT CHARGES FOR ALL SHIPPING LINES SERVING GUATEMALA.
ROGERS ARA/ECP HANDCARRYING DRAFT LEGISLATION TO ARA/CEN.

2. FIRST READING OF BILL RESULTED IN REFERRAL TO FINANCE
COMMITTEE OF CONGRESS. MINISTER OF FINANCE REVIEWED AND
PROVIDED SUPPORT FOR BILL. AS A RESULT, FINANCE COMMITTEE
APPROVAL OBTAINED. THIS PLUS ORIGINAL ECONOMIC COMMITTEE
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 GUATEM 02830 061811Z

APPROVAL BODES WELL FOR RAPID HANDLING IN CONGRESS.

3. HOWEVER, CONGRESS THIS WEEK WAS BOGGED DOWN IN PROCE-
DURAL DIFFICULTIES COMPLETELY OUTSIDE MARITIME LEGISLATION
PROBLEM.

4. CURRENTLY, EMBASSY UNAWARE OF ANY ACTIVE OPPOSITION TO

MARITIME LEGISLATION. SUPPORTING ITS PASSAGE ARE THE GUATEMALAN CHAMBER OF COMMERCE, THE CHAMBER OF INDUSTRY, THE CHAMBER OF PRIVATE ORGANIZATIONS, THE THREE GUATEMALAN SHIPPING COMPANIES, THE MINISTRY OF FINANCE, AND BY ALL REPORTS PRESIDENT LAUGERUD.

5. NORMAL DEVELOPMENT IN CONGRESSIONAL TREATMENT OF A NON-CONTROVERSIAL BILL IS FOR PERFNCTORY SECOND READING TO BE FOLLOWED BY THIRD READING THE NEXT WORKING DAY. THIRD READING REQUIRES PARAGRAPH-BY PARAGRAPH ACCEPTANCE AND, IF NECESSARY, DISCUSION. HOWEVER, IN CASE OF "NON-CONTROVERSIAL" LEGISLATION, THIRD READING CAN BE EASILY COMPLETED IN ONE DAY SESSION. SUBSEQUENTLY, LEGISLATION MUST BE SIGNED BY PRESIDENT. THIS IS POSSIBLE IN ONE DAY.

6. THE LEGISLATION BECOMES EFFECTIVE UPON PUBLICATION: IN THIS CASE, DECREE 41-71 WILL BE SUPERSEDED, ALTHOUGH FEED AGAINST ARRIVING CARGO WILL NOT BE COLLECTED FOR 60 DAYS IN VIEW OF CARGO WHICH WOULD HAVE BEEN DISPATCHED BEFORE THE NEW LAW WAS KNOWN TO THE PUBLIC.

7. EMBASSY NOTES PRESENTLY ESTABLISHED DEADLINE FOR FMC ACTION CITING GUATEMALAN LEGISLATION DISCRIMINATION AGAINST US SHIPPING IS MAY 9 AT 10:00 AM. THIS FACT KNOWN ONLY TO A HANDFUL OF WELL-INFORMED GUATEMALANS. IT IS THE CONSENSUS AMONG ALL THESE PERSONS THAT ACTION BY THE FMC COULD WELL RESULT IN ABORTING THE PRESENT LEGISLATIVE EFFORT. SOME CONGRESSMEN, IN THIS ELECTION SEASON, WOULD LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 GUATEM 02830 061811Z

BE GREATLY PLEASED TO FIND A NEW ISSUE OF REACTION TO PRESSURE FROM THE UNITED STATES. THIS COULD DELAY OR KILL RESPONSIBLE NON-DISCRIMINATORY MARITIME LEGISLATION.

8. IN DISCUSSION WITH LOCAL REPRESENTATIVES OF US SHIPPING COMPANINES, THE EMBASSY FINDS STRONG SUPPORT FOR THE NEW SIX PERCENT RULE LEGISLATION TO REPLACE DECREE 41-71.

9. COMMENT: THE EMBASSY BELIEVES THAT THE FIRM POSITION TAKEN BY THE FEDERAL MARITIME COMMISSION HAS PRODUCED THE SALUTARY DEVELOPMENTS INDICATED ABOVE. IT IS LIKEWISE OUR BELIEF THAT THE INTERESTS OF MOST, IF NOT ALL, US CARRIERS (INCLUDING AIR FREIGHTERS WHICH ALSO ARE SUBJECT TO DECREE 41-71) WILL BE BEST SERVED BY CONTINUED RESTRAINT IN DEALING WITH THE PROBLEM. IN THE CIRCUMSTANCES OUTLINED IN THIS CABLE, IT IS CLEARLY IN THE BEST INTERESTS OF ALL CONCERNED THAT THE CURRENT GUATEMALAN LEGISLATIVE PROCESS BE PERMITTED TO RUN ITS COURSE. WE WOULD HOPE THAT THE FIRST READING OF THE

NEW LEGISLATION HAS GONE SMOOTHLY SHOULD BE SUFFICIENT
INDICATION OF THE PROBABILITY OF ADOPTION SO AS TO PERMIT
THE FMC TO MODIFY ITS INTENTION TO PUBLISH PROPOSED
RULE-MAKING ON MAY 9.
BOSTER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LAW, TRADE DISCRIMINATION, MARINE TRANSPORTATION
Control Number: n/a
Copy: SINGLE
Sent Date: 06-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977GUATEM02830
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770160-0057
Format: TEL
From: GUATEMALA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770586/aaaacwiz.tel
Line Count: 121
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 23c28a99-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 24-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2619156
Secure: OPEN
Status: NATIVE
Subject: GUATEMALAN CONGRESS ACTS ON NON-DISCRIMINATORY SHIPPING LEGISLATION
TAGS: EWWT, PFOR, PGOV, GT, US, FMC
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/23c28a99-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009